MAR 6 1919 JAMES D. HAHER

SUPREME COURT OF THE UNITED STATES

NEW YORK SCAFFOLDING COMPANY

Petitioner

against

LIEBEL-BINNEY CONSTRUC-TION COMPANY

Respondent

Jetober Term

No.

22

Brief on Behalf of Petitioner

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BRIEF FOR PETITIONER.

Statement.

This cause comes before this Honorable Court on writ of certiorari to the Circuit Court of Appeals for the Third Circuit, issued out of this Court on the 23rd day of November, 1917 (Rec., p. 12).

The petitioner, the New York Scaffolding Company, being the owner by assignment of Letters Patent issued to E. H. Henderson, May 24, 1910, No. 959,008, for an improved scaffold supporting device, brought suit in the U. S. District Court for the Western District of Pennsylvania on the 16th day of September, 1914, against the Liebel-Binney Construction Company, respondent herein, for contributory infringement of claims 1 and 3 of said Henderson patent (Rec., p. 3).

On the 3rd day of October, 1914, the respond-

ent, the Liebel-Binney Company, filed an answer to the bill of complaint herein, and on the 1st day of March, 1914, said respondent filed a petition for leave to file an amended answer herein and on the same date an amended answer was filed by said respondent denying infringement by said respondent, and alleging that said Henderson was not the inventor of the scaffolding means described in said Letters Patent No. 959,008, and that the device of said patent was known and used prior to Henderson's alleged invention (Rec., p. 11).

On the 7th day of September, 1915, Egbert Whitney, doing business under the name of the Eclipse Scaffolding Company, filed a petition asking leave to intervene as a defendant in said suit, on the ground that the scaffolds alleged to be an infringement of the patent aforesaid were sold by said Whitney to the Liebel-Binney Construction Company, and that said Whitney had a large number of vendees throughout the country who were using his scaffolding and scaffolding machines, similar in construction to those used by the said Liebel-Binney Construction Company (Rec., p. 68).

An order was entered September 8th, 1915, making the said Egbert Whitney a party defendant herein.

The defendant Egbert Whitney has never made answer of any kind to the bill of complaint.

On the 4th day of February, 1916, after said Whitney had been made a party defendant herein, and after the cause had been tried before Judge Orr, but before the Court had rendered a decision herein, your petitioner filed in the District Court,

a petition for leave to file a supplemental bill as annexed to said petition.

No decision was made by the Court on petitioner's application for leave to file a supplemental bill of complaint, up to the time a decision was rendered. In his decision His Honor, Judge Orr, stated, that the Court was of the opinion "that the plaintiff was not entitled to file its supplemental bill, and has refused the motion." But the only refusal was that contained in the final opinion of Judge Orr deciding the main issues in the case, and holding that claims 1 and 3 of the patent in suit were invalid for want of invention.

On the 27th day of May, 1916, a final decree was entered on the decision of Judge Orr.

An appeal was taken from said decree to the Circuit Court of Appeals for the Third Circuit. After hearing the case as presented the Court handed down a decision on the 3rd day of July, 1917, affirming the decision of Judge Orr of the District Court, and holding claims 1 and 3 of the patent in suit to be void for want of patentable novelty.

As to Judge Orr's Opinion.

Even a casual comparison of Judge Orr's opinion with the testimony in the case indicates that Judge Orr did not apprehend, or overlooked, several of the main points of the patent, and the main points of the testimony.

(a) The learned Judge said (Rec., p. 81):

"Having found that there was no invention in the Henderson device, a consideration of its utility is of slight value, yet the extent to which the plaintiff uses the device of the Henderson patent, if it be less in degree than the extent to which other devices controlled by it—intended to accomplish the same purposes—are used, some light, though little, may be thrown upon the question of novelty which is a material element of patentability."

It appears from the testimony that the plaintiff owned the Murray patent, and uses the Murray patent in the scaffolds which its licensees place upon the market; but to say that the device of the Murray patent is "intended to accomplish the same purpose" as the structure of claims 1 and 3 of the patent in suit does not state the facts.

The Murray patent contains but one single claim, and embodies but one single idea, that is the idea of supporting the scaffold to outriggers by means of auxilliary bars or rods, while the cables that ordinarily support the scaffold are being lengthened and attached to outriggers secured to the building above the platform so as to enable a platform or scaffold to be raised to a greater height than before.

Claims 1 and 3 of the patent in suit refer to a construction in which the element of novelty resides in the hinged or loose jointed connection between the putlog and the frames that support the putlog and the hoisting mechanism, a separate and distinct entity from the elements of the Murray patent, differing in structure, function and result produced.

(b) It is stated by Judge Orr:

"By judicious advertising and by permitting contractors to have the devices for the necessary period at less than what it would cost to construct them, the Patent Scaffolding Company has created a large business, and the plaintiff receives substantial returns under the licenses granted by it."

There is no testimony or evidence in the case in regard to the extent of advertising by the petitioner except one circular or booklet, with no information as to how many were distributed to the trade, and nothing to show whether the petitioner's advertising was "judicious or otherwise," or that its advertising has had any different effect in the way of enlarging a business than the advertising of any other ordinary concern.

The fact that the contractors were able to rent the machines "at less than it would cost to construct them," is true of any article that is hired out to the public, and such hiring out has never been regarded as any direct cause for enlarging a business, and as to whether the returns received by the plaintiff were "substantial" or otherwise, there is not a word of testimony in the case on the subject.

(c) The District Judge further said:

"The demand created for the device is not the result of its novelty combined with utility, but of the business methods of the Patent Scaffolding Company."

It apears (Rec., p. 34), from defendant's Exhibit C, that the Patent Scaffolding Company, one of the licensees of the petitioner herein, was awarded a gold medal by the American Museum of Safety, "for the high quality and effective service and special protection against accident," and at that time the device being placed upon the market by the Patent Scaffolding Company contained the loose jointed connection between the

putlog and the supporting frames—the essence of the device of the patent in suit. Furthermore, it is testified by petitioner's witnesses that 70% of the trade throughout the country uses devices rented by petitioner, embodying the loose jointed flexible or hinged connection between the putlog and the supporting frames, and there is no denial or contradiction of that fact.

(d) Judge Orr further stated (p. 84):

"In the neighborhood of 70% of the scaffolding devices put out by the Patent Scaffolding Company are used and are intended to be used in accordance with the disclosure of the Murray Patent No. 854,959."

That misapprehension of one of the most important facts in the petitioner's case doubtless contributed to the error into which Judge Orr was led in deciding this case. The facts as stated in the testimony are that 70% of the trade, that is, the trade of the entire United States, use devices embodying the patent in suit—an entirely different proposition from that contained in Judge Orr's opinion. That error on the part of the Trial Judge, shows that petitioner has been entirely deprived of the benefit of the judgment of the trade.

(e) Again Judge Orr stated:

"The Patent Scaffolding Company in its catalogue, in illustrations, illustrated the Murray arrangement and not the Henderson."

There is no testimony in the case supporting that statement. That Murray patent relates simply to a method of supporting the frame temporarily, to one set of outriggers, while the cables are

being raised and connected to a higher set of outriggers. The Patent Scaffolding Company uses and advertises the Murray device as part of the operative means of its device, and it also advertises and uses the loose jointed connection between the putlog and the supporting frames of the patent in suit, in the same scaffolds. The only advertising matter offered in evidence was offered by the defendant and is so indefinite on that point that it does not show clearly the actual connection between the putlog and supporting frames.

(f) Again, Judge Orr stated:

"The Henderson patent has not supplanted others, nor has the influence of its owner been exerted to that end."

The Henderson patent is used by its owner to provide a scaffold having a hinge or loose-jointed connection between the frames that supports the putlogs, and the scaffolds using that feature of the Henderson patent are used in 70% of the scaffolds on the market.

As to the Opinion of the Court of Appeals.

The opinion of the Court of Appeals follows very closely that of Judge Orr. Even the errors of Judge Orr's opinion are copied. For instance, it is stated (p. 118):

"But however that may be, the evidence is that although Henderson followed Murray, and claims to have improved upon his device, the Patent Scaffolding Company advertises only the Murray device and 70% of the scaffolds it puts out and rents is the Murray device."

That conclusion of the Court of Appeals is manifestly taken from Judge Orr's opinion, and not from the record, because, as we have previously pointed out, there is no justification in the record for such a statement. On the contrary, what the witness, Cavanagh, said was (Rec., p. 61), that "70% of the trade," meaning the entire trade of the United States, were using the petitioner's devices having the loose jointed connection between the putlogs and supporting frames. The Murray device does not show a means for providing a hinged or flexible connection between the putlogs and their supporting frames, but the machines placed upon the market and licensed by the petitioner supply 70% of the trade throughout the entire country, and do embody such a construction.

The Court of Appeals further stated (p. 118):

"We do not see what problem was presented to and solved by Henderson. He did what Murray had already done, but he did it in a different way."

That statement is not in accordance with the facts or the testimony. Henderson did not do what Murray did. Murray provided means for supporting a platform temporarily on one set of outriggers while the cables were being adjusted to a higher set of outriggers. That is all Murray did, and that was embodied in the one claim of the patent and that is what Henderson did not do.

Murray, on the other hand, never suggested the idea of making a hinged or flexible connection between the putlogs and their supporting frames. Therefore, the Court of Appeals overlooked one of the main features of the Henderson device.

Finally, the Court of Appeals came to the erroneous conclusion that Henderson provided a loose and unfastened putlog in place of the fixed and fastened putlog of Murray's, and "lessened the fixity and rigidity of the whole platform, thereby correspondingly lessening the security of the workmen, which was just the opposite of what was pressed throughout the argument as the important consideration to induce men to work with heavy materials upon swinging platforms."

There is no evidence in the case or any suggestion of any name or nature that the loose-jointed or hinged connection between the frames and the putlogs, lessen "the security of the workmen." On the contrary, there has never been a single accident of any kind to any workman using these devices so far as the record shows, although the record shows that 70% of all the scaffolding of this character throughout the country employs that loose-jointed and hinged connection between the putlogs and the supporting frames.

In the face of the fact that the American Museum of Safety awarded to the Patent Scaffolding Company a gold medal "for the notable device of utility," having "conservation of life and limb in the building trades as a specific object of its design" (Rec., p. 4, Deft's. Ex. C.); in the face of the fact that the scaffolds placed upon the market by that company at that time used the loose-jointed connection between the putlogs and supporting frames; in view of the fact that the riveted connection between the putlogs and supporting frames of the Murray patent had been abandoned, and in view of the fact that 70% of all the trade of the country had adopted the plat-

form having said loose-jointed connection, and in the entire absence of any testimony of any name or nature to support such a statement, the language quoted from the decision of the Court of Appeals certainly makes strange reading, and demonstrates that the equities of petitioner's case were not observed by the Court of Appeals to any greater or different extent than in the District Court.

The Structure of the Patent in Suit and The Prior Art.

The analysis of the structure of the Henderson patent in suit, the advantages arising from such construction, and the subject of the prior art having been fully set forth in the accompanying brief of New York Scaffolding Company, petitioner, against Chain Belt Company, et al., respondents, we respectfully ask that our brief in that case on the law and on the facts on those subjects be considered in support of this case.

Special attention is again called, however, to the important feature of the Henderson patent in suit, as stated by the witness Eugene Cavanagh (Rec., p. 61), a brother of the Daniel Cavanagh whose testimony is abstracted in the companion Chain Belt Company's brief, in reference to the advantages of loose-jointed or flexible connection between the hoisting frames and the cross bars (Rec., p. 61):

"Q. In other words, if a man winds one drum at one end of a putlog, and no man winds the other drum at the other end of that putlog, what happens then? A. On a loose putlog, or

a tight putlog?

"Q. On these machines right here, the loose putlog type? A. Well, if he winds one end, the one he winds on—if he hoists up on it, it will set the scaffold on a pitch; it will pitch one way or the other, whichever way he happens to wind.

"Q. And what happens to the U-shaped frame with respect to the putlog when the U-shaped frame is *loose* with respect to the putlog? A. Well, in hoisting the outside drum, you can hoist that up five or six or whatever inches you want to hoist it up, and it has no effect whatever on the putlog. It will give.

"Q. In other words, the putlog will give with

respect to the frame? A. Exactly.

"Q. What can you say about maintaining the axis of the winding drums if you have a movable connection between the putlog and the U-shaped frame? A. It will always keep the shaft of the drum there straight across.

"Q. Do you mean horizontal? A. Yes, sir.
"Q. And that would make the axis of the winding drum vertical to the cable? A. Ex-

actly.

"Q. And what effect will that have on the winding cable? A. It will make the cable wind

up straight all the time.

"Q. And what effect will that have on the life of the cable? A. It will keep the life a whole lot longer."

And the record in this case shows that at one time petitioner used two frames irremovably riveted to a putlog or cross-beam, but that this cumbersome structure was supplanted by the flexible loose-jointed connection of the Henderson patent in suit. Mr. Pitou, on behalf of petitioner, testified (Rec., p. 35):

"Q. How do they differ? (that is the old construction and the new construction.) A. Previously, when we first issued our devices, they were *irremovably riveted* together.

"Q. They weren't riveted together in 1910?

A. No. sir.

"Q. And not in 1909? A. Well, I would say a short time before the awarding, the irremovable riveting had been removed. Before that they had been riveted.

"Q. Well, before when? A. Well, I would

say in 1909.

"Q. What time in 1909—July? A. I don't recall exactly when it was discontinued. I would say about the beginning of 1910, we no longer riveted the machines together.

"Q. But you were putting some out in 1908, '9 and '10, without their being riveted? A. No, sir; only just before the award was made, early in 1910, we were using that method."

Some confusion has been caused in the testimony in this case, because of the fact that the Trial Judge permitted the defendant's counsel the unusual privilege of establishing the defendant's case on the cross examination of the complainant's witnesses alone.

The defendant produced no witnesses in the case, but offered several exhibits during the cross examination of plaintiff's witnesses.

Among other irregularities, the defendant was allowed to offer in evidence defendant's Exhibit C during the cross examination of the complainant's witness Pitou, against the objection of complainant's counsel, to which an objection was noted (Rec., p. 36), and several of the witnesses

were examined in respect to the structures shown on pages 10, 11 and 13 of such exhibits. It is obvious that a mere inspection of page 13 does not show the method by which the frames supporting the hoisting mechanism are connected with the putlogs, nor does the construction on page 11 indicate whether the frame is rigidly or flexibly connected with the cross-beams or putlogs, nor does the construction show on page 10, whether the frame is loosely connected with the bolts that extend through the bottom of the cross-beam or putlog. The pages of that circular certainly do not elucidate anything or aid the Court in arriving at a correct understanding of the devices placed upon the market by the complainant or its licensee.

Your petitioner on the other hand put in evidence plaintiff's Exhibits 11, 12 and 13, showing a full-sized operative specimen of petitioner's devices. Respondent's counsel did not want that evidently, and made objection thereto. That made the matter too clear. What defendant's counsel was aiming at undoubtedly, was to mislead the witness and cause confusion in the testimony, because even after those exhibits were before the Court (Record, p. 61), defendant's counsel (p. 64) cross examined the witness on that same exhibit. That sort of testimony offered in place of the more direct testimony, which it was within the power of the respondents to produce, was clearly incompetent (Kirby v. Tallmadge, 160 U. S., 379; Clifton v. United States, 45 U. S., 242).

Much time and testimony was taken by the respondents in an effort to prove that the Scaffold Patent Company, one of the defendant companies of the petitioner, placed scaffolds on the market,

bearing the date or number of the Murray Patent, and making no reference to the Henderson Patent, and from that fact respondents seek to establish the presumption that the petitioner does not use the Henderson patent, and on that presumption to establish another presumption, that, therefore, the Henderson device is lacking in utility, and consequently in patentability. The idea of establishing a presumption on a presumption is absolutely untenable and contrary to well-established propositions of law. Moreover, there is no occasion for resorting to presumption in such a case. It was an easy matter, if it were the case, for the respondents to prove, or attempt to prove, that the devices placed upon the market by the Patent Scaffolding Company were not marked with the date or number of the Henderson Patent. if that fact had any relation to the case.

Infringement.

The defendant Egbert Whitney has never made any answer of any kind to the bill of complaint, and, therefore, has not denied infringement. The Liebel-Binney Company, in their amended answer (Record, p. 15), stated:

"For further answer to said bill of complaint defendant says that on or about the 20th day of May, 1914, it gave a written order to the Eclipse Scaffolding Company of Omaha, Nebraska, for '18' p.r.s. Whitney Scaffold Hoist Machines, together with 300 feet 7-16 Sweedes Cable, plus price of 100 feet extra cable to each pair of machines, all of which were within a short time thereafter delivered to the defendant by the said Eclipse Scaffolding Company, and that defendant is using the said machines at that present time."

There is no denial of the fact that the respondent was using the same device prior to the time of bringing the suit.

The witness Pitou testified that he saw at Erie, Pennsylvania, a building being constructed for the Palace Hardware Company by the respondent, the Liebel-Binney Construction Company, and the "Whitney Scaffold Hoist" Machines, the infringing devices, were being used thereon (Record, p. 18), and that he recognized a specimen of the "Whitney Scaffold Hoist" Machines in court as being the machines he saw hanging on that building (Record, p. 19). As testified by him (Record, pp. 9, 21), each drum was suspended or attached to a cable from an overhead outrigging beam and two drums were associated. At the end of each putlog or cross-beam over those putlogs, the scaffold plank was laid for the platform. Each putlog passed through two drum frames. The putlog, as described by him, is a cross-bar member upon which the scaffold planks are laid. frame that supported the drums was arranged broadside to the wall of the building (the same as in the Henderson patent in suit) (Record, p. 21):

"The lower part of the drum frames passed under the putlog."

I would call them U-shaped frames. The end of the putlog was within the U-shaped frame.

It was a continuous U-shaped frame, that is, it passed *completely* and *continuously* around the putlog.

Scaffold planks were laid on the putlogs. In addition to the end of the putlog in each drum frame there was a clamp to support the drum frame on the cable. The drum was made to turn by means of a lever ratchet handle.

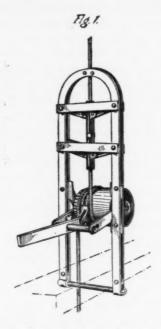
He saw the ratchet mechanism used, in elevating the platform, and on the platform he saw masons laying brick.

The witness was handed an apparatus which he testified was a "Whitney Scaffold Hoist" Machine (Record, p. 22). He saw such machines used by the defendant company,

"during the latter Summer or early Fall of 1914, upon the Palace Hardware Building at Erie, Pennsylvania, by the Liebel-Binney Construction Company."

In that device, one frame went around each end of each putlog. The frames were broadside to the wall, and the putlogs were at right angles to the wall. The device which the witness recognized as a specimen of the machine which he saw upon the Palace Hardware Building at Erie, Pennsylvania, was offered in evidence and marked Plaintiff's Exhibit 4 (Record, p. 24). The witness testified (Record, p. 25), that that device is known in the trade as the "Whitney Scaffold Hoist" Machine. He knows that fact from the catalogues issued by the respondent Whitney, and the Eclipse Scaffold Hoist Company, a name under which Whitney was doing business, and they were designated as "Whitney Scaffold Hoist" Machines. Again he testified (Record, p. 25), that the device is known in the trade as the "Whitney Scaffold Hoist" Machine.

The accompanying cut shows the "Whitney Scaffold Hoist" machine separate from the platform.



The cross-piece 7 shown in the patent in suit is shown in this cut in dotted lines, but the floor pieces extending between and supported upon the cross beams are not shown. The hoisting device referred to in Claims 1 and 3 of the patent in suit is the same as the hoisting device shown in this cut of the Whitney machine which has "each hoisting device, consisting of a continuous U-shaped metal bar extending around the under side of and upward from the associated beam." It is the lower end of the frame in both instances

that supports the end of the cross-beams. The lower end of the frame of the patent in suit is referred to as U-shaped. The lower end of the frame of the Whitney cut is shown as made up of a cross-rod secured at its ends to the vertical bars of the frame. In both instances the lower ends of the frame perform the same function of holding freely in loose-jointed connection the end of a cross-beam. There is nothing in the patent in suit or in the Henderson device that indicates that such function is in any way dependent on the lower end of the frame being exactly "U-shaped." That the hoisting drum is the same in both cases from a standpoint of infringement is obvious. That the hoisting drum in each case is supported by the side members of the frame (designated in the patent in suit as "a continuous U-shaped metal bar") is likewise obvious.

The same may be said of the elements referred to in Claim 3 which comprises a plurality of U-shaped bars arranged in pairs, "a cross-beam laid in and extending between each pair of said U-shaped bars" (not shown in the Whitney cut), a floor laid upon said cross-beams (not shown), a drum rotatably supported between the upwardly extending side members of each of said U-shaped bars (or frame), and means for controlling the rotation of said drum—all these elements co-operate in the same way, produce the same result, and are found in the structure testified to by the witness Pitou as having been used by the respondent, Liebel-Binney Construction Company.

There is absolutely no denial of any name or nature on the part of the respondents of the facts as stated by the witness Pitou in respect to the construction of the device used by the respondents at Erie, Pa. In fact, there is nowhere in the testimony of the case any denial of infringement; the respondent Whitney has not even denied infringement by way of answer.

CONCLUSION.

All the facts in this case, taken in connection with the law applicable thereto, lead unerringly to the conclusion that the decree of the Court of Appeals in this case should be reversed, that the patent in suit be held to be a valid patent, and that the respondents have infringed said patent by making and selling the "Whitney Scaffold Hoist" Machine.

Respectfully submitted,

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